Decline in export of diamonds and jewellery

†871. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the export of diamond and jewellery has been declining for the last two years;

(b) if so, the details thereof;

(c) the reasons ascertained by Government for such decline; and

(d) the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (d) The export figures of Gems and Jewellery for the last two years are as under:

(in Million US $)

Year	Value
2004-05	13761.77
2005-06	15546.58

Source: DGCI&S

Export of Gems & Jewellery has been identified as a thrust sector in the Foreign Trade Policy effective from 1st September, 2004. In the Foreign Trade Policy updated as on 7th April, 2006, following facilities have been extended to this sector:

(i) Import of gold of 8k and above has been allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content.

(ii) Duty Free import entitlement of consumables for metals other than Gold, Platinum to be 2% of FOB value of exports during the previous financial year.

(iii) Duty free import entitlement of commercial samples to be Rs. 3,00,000.

(iv) Duty free re-import entitlement for rejected jewellery to be 2% of the FOB value of exports.

†Original notice of the question was received in Hindi.

(v) Cutting and polishing of gems and jewellery, to be treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

(vi) Import of precious metal scrap/used jewellery has been allowed for melting, refining and re-export of jewellery. However, such import will not be allowed through hand baggage.

(vii) Gem & Jewellery exporters have been allowed to export jewellery on consignment basis as per Rules.

(viii) Gem & Jewellery exporters have been allowed to export cut and polished precious and semi-precious stones for treatment and re-import as per Rules.

(ix) To boost export of plain gold/platinum/silver jewellery, articles and ornaments and enhance their international competitiveness, the minimum value addition norms for such items has been reduced from 7% to 4.5%.

Some other facilities extended to the Gem & Jewellery export sector are encouraging private sector to create training infrastructure to impart skills in jewellery designing, participation of Gem and Jewellery exporters in international fairs and buyer-seller meets abroad, etc. with support under Market Development Assistance (MDA) and Market Access Initiative (MAI) Schemes of the Department of Commerce.

Duty exemption schemes for exports

872. SHRI TAPAN KUMAR SEN:
SHRI CHITTABRATA MAJUMDAR:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the outlines of the existing schemes involving tax and duty exemptions for encouraging exports; and

(b) the total amount involved per year in extending various concessions under the above scheme?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) A Statement is given below.

(b) Duty re-imbursed/neutralized or forgone under various export